

March 31, 2008

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Gary Haynes
Director of Legal Affairs
Indiana State Board of Animal Health

Dear Mr. Haynes:

Pursuant to IC 4-22-2-28, the Indiana Economic Development Corporation ("IEDC") has reviewed the economic impact analysis for small business associated with rule changes proposed by the Indiana State Board of Animal Health ("Board") and contained in LSA Document 7-824. Entities affected by the rule include approximately 340 cervid farms registered with the Board as of December 2007. Although it is not known what percentage of these entities is classified as a small business, these farms vary significantly in size and it is likely that some of these entities will be classified as small businesses.

The rule will require that cervid herds in the Board's monitoring program for the first five years of participating and herds in the certification program collect samples from dead cervidae for chronic wasting disease testing. Since the cost of this service was previously borne by the state, this provision will create a new cost for affected small businesses. The amount of this cost will depend on the method selected by the business to satisfy this requirement. Businesses may hire a veterinarian to conduct the test, deliver the sample to Animal Disease Diagnostic Laboratory ("ADDL") at Purdue University, or deliver the animal or the animal's head to a participating meat plant. The cost for veterinary collection is expected to range from \$75-\$125 for each sample. The cost for direct submission to the ADDL is expected to be approximately \$27 per sample. The cost for meat plant collection is not known at this time. In 2006 the Board collected 782 cervid samples at its own cost as part of the program. The overall cost to all entities will vary based on the number of entities selecting each method of complying with the requirement.

The proposed rule also allows producers to maintain a certification status for their herds by applying two identifications to each animal in their herd. If producers select this option, the cost for each piece of identification (an ear tag placed on each ear) is between \$2 and \$4. Herd owners are not required to maintain certification status and may opt into a monitored herd program if they wish to avoid this cost.

The rule also contains provisions which could result in cost savings for affected businesses. The rule eliminates the current permit and certificate of veterinary inspection requirements for shipments of cervid semen and embryos and removes required

participation in the herd certification program for species of cervidae that are not known to be susceptible to chronic wasting disease.

The IEDC does not object to the economic impact associated with the proposed rule changes. The economic impact statement provided by the Board indicates that the net effect of all provisions of the rule will be cost savings for affected entities, including small businesses. If you have any questions about the comments contained herein please contact me at 232-8962 or rasberry@iedc.in.gov.

Regards,

A handwritten signature in cursive script, appearing to read "Ryan Asberry".

Ryan Asberry
Assistant Vice President
Indiana Economic Development Corporation